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SOURCE WCPOOI

RECORDATION NO

FILED 1425

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ALLEN H HARRISON, JR

DIRECT LINE (202)

663-6093

JAN 30 1990 - 12 25 PM

INTERSTATE COMMERCE COMMISSION

0-030A043

January 30, 1990

\$15.00 filing fee

Dear Mrs. McGee:

On behalf of Itel Rail Corporation, I submit for filing and recording under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder, four (4) executed counterparts of a secondary document, not previously recorded, entitled Amendment to Security Agreement ("Amendment"), dated as of January 24, 1990.

The parties to the enclosed Amendment are:

Itel Rail Corporation - Debtor
55 Francisco, 5th Floor
San Francisco, California 94133

Chemical Bank - Agent/Secured Party
277 Park Avenue
New York, New York 10172

The said Amendment acts to amend Section 3(c) of that certain Security Agreement between the parties dated as of December 21, 1989 and recorded with the Interstate Commerce Commission December 26, 1989 under Recordation No. 16667 and should be recorded under the next available letter designation under Recordation No. 16667, which we believe will be -B.

A short summary of the document to appear in the ICC Index is as follows:

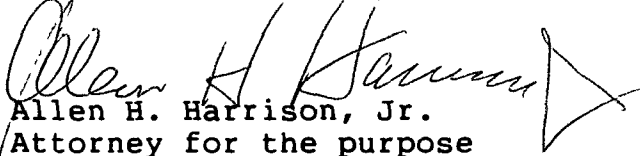
"Amends Section 3(c), no change in units covered."

Enclosed is a check in the amount of fifteen dollars (\$15.00) in payment of the filing fee.

- 2 -

Once the filing has been made, please return to bearer the stamped counterparts of the Amendment not needed for your files, together with the fee receipt, the letter from the ICC acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,



Allen H. Harrison, Jr.
Attorney for the purpose
of this filing for
Itel Rail Corporation

Honorable Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Enclosures

AHH/iw

BY HAND

Interstate Commerce Commission
Washington, D.C. 20423

1/30/90

OFFICE OF THE SECRETARY

Allen H Harrison Jr.
Wilmer Cutler & Pickering
2445 M Street N.W.
Washington, D.C. 20037-1420

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/30/90 at 12:25^{pm} and assigned recordation number(s). 16667-B

Sincerely yours,



Noreta R. McGee
Secretary

Enclosure(s)

JAN 30 1990 - 12 25 PM

INTERSTATE COMMERCE COMMISSION

AMENDMENT TO SECURITY AGREEMENT

AMENDMENT dated as of January 24, 1990 to Security Agreement dated as of December 21, 1989 (the "Security Agreement") made by IteL Rail Corporation, a Delaware corporation (the "Debtor"), to Chemical Bank, as agent (in such capacity, the "Agent") on behalf of the banks (the "Lenders") parties to the Credit Agreement dated as of December 21, 1989 (the "Credit Agreement").

WHEREAS, the Debtor has executed and delivered the Security Agreement to the Agent, for the ratable benefit of the Lenders, pursuant to the Credit Agreement; and

WHEREAS, the parties desire to amend the Security Agreement in certain respects:

NOW, THEREFORE, in consideration of the premises and promises contained herein and in the Credit Agreement, the Debtor hereby agrees with the Lenders as follows:

1. Amendment of Section 3(c). Subsection (c) of Section 3 of the Security Agreement be and it is hereby amended to add the following sentence at the end thereof:

"The Debtor will, on and after the Trigger Date, clearly mark its copy of each operating lease constituting Future Collateral as subject to the security interest granted hereunder."

2. No Other Amendments. Except as expressly amended as provided for herein, the Security Agreement shall continue to be, and shall remain, in full force and effect in accordance with its terms.

3. Representations and Warranties. The Debtor represents and warrants to the Lenders as follows:

(a) The execution, delivery and performance by the Debtor of this Amendment are within the Debtor's corporate powers, have been duly authorized by all necessary corporate action, and require no action by or in respect of, or filing with, any governmental body, agency or official, except for filings with the Interstate Commerce Commission pursuant to Title 49 USC

Section 11303, and the execution, delivery and performance by the Debtor of this Amendment does not contravene, or constitute a default under, any provision of applicable law or regulations or of the certificate of incorporation of the Debtor or of any material agreement, judgment, injunction, order, decree or other material instrument binding upon the Debtor or any assets of the Debtor, or result in the creation or imposition of any lien on any asset of the Debtor.

(b) This Amendment constitutes the valid and binding obligation of the Debtor, enforceable against it in accordance with its terms, except as enforceability may be subject to applicable bankruptcy, insolvency, reorganization, equity of redemption, moratorium or other laws now or hereafter in effect relating to creditors rights, and to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

4. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles.

* * *

IT WITNESS WHEREOF, the Debtor and the Agent have

executed this Amendment as of the date first above written.

ITEL RAIL CORPORATION

By: Robert Kudala
Its: Vice President Finance

ATTEST

By: Howard S. Choben
Its: Secretary

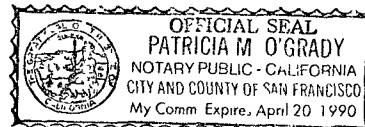
STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN FRANCISCO)

The foregoing instrument was acknowledged before me
this 29th day of January, 1990, by R. C. Kudala, V. P. Finance,
and H. S. Choben, Sec., of Itel Rail Corporation, a
Delaware corporation.

Witness my hand and official seal.

P. M. O'Grady
Notary Public

My commission expires: 4-20-90



CHEMICAL BANK

By: _____

Its: _____

STATE OF _____)
COUNTY OF _____) SS.

The foregoing instrument was acknowledged before me
this _____ day of January, 1990, by _____,
of Chemical Bank.

Witness my hand and official seal.

Notary Public

My commission expires: _____

AMENDMENT TO SECURITY AGREEMENT

AMENDMENT dated as of January 24, 1990 to Security Agreement dated as of December 21, 1989 (the "Security Agreement") made by Itel Rail Corporation, a Delaware corporation (the "Debtor"), to Chemical Bank, as agent (in such capacity, the "Agent") on behalf of the banks (the "Lenders") parties to the Credit Agreement dated as of December 21, 1989 (the "Credit Agreement").

WHEREAS, the Debtor has executed and delivered the Security Agreement to the Agent, for the ratable benefit of the Lenders, pursuant to the Credit Agreement; and

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Section 11303, and the execution, delivery and performance by the Debtor of this Amendment does not contravene, or constitute a default under, any provision of applicable law or regulations or of the certificate of incorporation of the Debtor or of any material agreement, judgment, injunction, order, decree or other material instrument binding upon the Debtor or any assets of the Debtor, or result in the creation or imposition of any lien on any asset of the Debtor.

(b) This Amendment constitutes the valid and binding obligation of the Debtor, enforceable against it in accordance with its terms, except as enforceability may be subject to applicable bankruptcy, insolvency, reorganization, equity of redemption, moratorium or other laws now or hereafter in effect relating to creditors rights, and to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

4. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles.

* * *

IT WITNESS WHEREOF, the Debtor and the Agent have

executed this Amendment as of the date first above written.

ITEL RAIL CORPORATION

By: _____
Its: _____

ATTEST

By: _____
Its: _____

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN FRANCISCO)

The foregoing instrument was acknowledged before me
this ____ day of January, 1990, by _____,
and _____, of Itel Rail Corporation, a
Delaware corporation.

Witness my hand and official seal.

Notary Public

My commission expires: _____

CHEMICAL BANK

By: C. C. Wardell
Its: Managing Director

STATE OF NEW YORK)
COUNTY OF NEW YORK) SS.

this 25 The foregoing instrument was acknowledged before me
day of January, 1990, by Christopher Wardell, Managing Director,
of Chemical Bank.

Witness my hand and official seal.

Frances Passik
Notary Public

My commission expires: 9/30/91

FRANCES PASSIK
Notary Public, State of New York
No 24-01PA478321
Qualified in Kings County
Certificate filed in New York County
Commission Expires 9/30/91